DANAHER CORP /DE/
Form DEF 14A
April 01, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(RULE 14a-101)

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to § 240.14a-12

DANAHER CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

DANAHER CORPORATION

2200 Pennsylvania Avenue, N.W., Suite 800W

Washington, D.C. 20037-1701

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD MAY 7, 2013

To the Shareholders:

Notice is hereby given that the 2013 Annual Meeting of Shareholders of Danaher Corporation, a Delaware corporation (Danaher), will be held at the Washington Marriott, 1221 22nd Street N.W., Washington, D.C., on May 7, 2013 at 3:00 p.m., local time, for the following purposes:

1. To elect the seven directors named in the attached proxy statement to hold office until the 2014 annual meeting of shareholders and until their successors are elected and qualified.

2. To ratify the selection of Ernst & Young LLP as Danaher s independent registered public accounting firm for the year ending December 31, 2013.

3. To approve certain amendments to Danaher s 2007 Stock Incentive Plan and all of the material terms of the performance goals under the Plan.

4. To approve on an advisory basis the Company s named executive officer compensation.

5. To act upon a shareholder proposal requesting that Danaher s Compensation Committee adopt a policy requiring that senior executives retain a significant percentage of shares acquired through equity pay programs until reaching normal retirement age, if properly presented at the meeting.

6. To act upon a shareholder proposal requesting that Danaher issue a report disclosing its political expenditures and political expenditure policies, if properly presented at the meeting.

7. To consider and act upon such other business as may properly come before the meeting or any adjournment thereof.

The Board of Directors has fixed the close of business on March 8, 2013 as the record date for determination of shareholders entitled to notice of and to vote at the meeting and any adjournment thereof.

YOUR VOTE IS IMPORTANT. PLEASE SUBMIT YOUR PROXY OR VOTING INSTRUCTIONS AT YOUR EARLIEST CONVENIENCE, WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING. Most shareholders have a choice of voting over the Internet, by telephone or by using a traditional proxy card. Please refer to the attached proxy materials or the information forwarded by your bank, broker or other holder of record to see which voting methods are available to you.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDER MEETING TO BE HELD ON MAY 7, 2013.

This Proxy Statement and the accompanying annual report are available at:

http://www.danaher.com/proxy.

BY ORDER OF THE BOARD OF DIRECTORS

JAMES F. O REILLY

Secretary

April 1, 2013

PROXY SUMMARY

To assist you in reviewing the proposals to be acted upon at our 2013 Annual Meeting, below is summary information regarding the meeting, Danaher s business, executive compensation and corporate governance and each proposal to be voted upon at the meeting. The following description is only a summary. For more complete information about these topics, please review Danaher s Annual Report on Form 10-K and the complete Proxy Statement.

2013 ANNUAL MEETING OF SHAREHOLDERS

Date and time: May 7, 2013, 3:00 p.m. local time

Place: Washington Marriott, 1221 22nd Street N.W., Washington, D.C.

Record date: March 8, 2013

BUSINESS HIGHLIGHTS

Danaher s compounded, average annual shareholder return has outperformed the compounded, average annual shareholder return of the S&P 500 index over each of the last one, two, three-, five-, ten-, fifteen- and twenty-year periods, with a return of 19.0% over the last year, 9.1% over the last two years, 14.0% over the last three years, 5.0% over the last five years, 13.1% over the last ten years, 14.1% over the last fifteen years and 19.6% over the last twenty years (calculated on a dividend reinvested basis).

In response to an uncertain 2012 economic environment that witnessed inconsistent and slowing growth in most major geographies (including slower growth in many of the emerging markets (also referred to in this Proxy Statement as high growth markets) that in prior years had significantly offset declines in the developed markets), Danaher s executive leadership continued to aggressively manage costs while allocating resources to capitalize on current and future growth opportunities. Danaher used its strong financial position to continue investing in the Company s future growth, consummating fourteen strategic acquisitions during the year, deploying $123 million in restructuring activities to reduce fixed costs and protect funding for growth investments, investing record amounts in research and development and high-growth market infrastructure, and launching strategically critical new products. In 2012 Danaher also divested two non-strategic businesses and reached an agreement to sell its interest in the Apex Tool Group joint venture, which holds Danaher s legacy hand tool business, representing a key milestone in Danaher s evolution into a science and technology leader (the sale was consummated in February 2013). Even while investing robustly in the Company s future growth, Danaher returned $734 million to shareholders in 2012 through stock repurchases and dividends.

Danaher s 2012 and prior year growth investments yielded tangible results in 2012, as the Company on a year-over-year basis in 2012 grew revenue 13.5% (including 8.6% in high-growth markets), diluted earnings per share 16.6% and operating cash flow 28.2%, and delivered an operating profit margin of 17.3% despite continuing to invest aggressively in our future.[1] Our commitment to continue investing in future growth despite an uncertain economy, and our generation of the cash flow to fund such investments, has positioned us to grow our business on a profitable and sustainable basis.

[1] All metrics reflect continuing operations only.

EXECUTIVE COMPENSATION HIGHLIGHTS

Overview of Executive Compensation Program

As discussed in detail under the heading Executive Compensation Compensation Discussion and Analysis, our executive compensation program is designed to attract and retain executives with the leadership skills, attributes and experience necessary to succeed in an enterprise with Danaher s size, diversity and global footprint; motivate executives to demonstrate exceptional personal performance and perform consistently over the long-term at or above the levels that we expect; and link compensation to the achievement of near-term and long-term corporate goals that we believe best correlate with the creation of long-term shareholder value. We believe our executive compensation program has been highly effective in achieving these objectives, both historically and in 2012 in particular, as evidenced by the business highlights noted above.

Our executive compensation program operates within a strong framework of compensation governance. Our Compensation Committee regularly reviews external executive compensation practices and trends and in recent periods has revised Danaher s executive compensation policies and practices to:

- adopt a policy prohibiting any prospective tax reimbursement or gross-up provisions in our executive compensation program (except under any policy applicable to management employees generally such as a relocation policy). In addition, in 2012 Mr. Culp offered, and the Committee agreed, to eliminate the existing tax reimbursement and gross-up provisions in his employment agreement;
- eliminate club membership, automobile and executive life insurance perquisites and limit the amount of our CEO s and CFO s personal aircraft usage perquisite;
- incorporate multiple performance metrics in our annual cash incentive compensation plan;
- implement a rigorous compensation recoupment policy that is triggered by a material restatement of Danaher s financial statements, even in the absence of wrongdoing; and
- require executive officers to maintain robust stock ownership levels, and prohibit hedging against the economic risk of such ownership.

These more recent changes complement strong compensation governance practices that have long been a hallmark of Danaher s program:

- our executive officer equity awards have vesting terms that are longer than typical for our peer group;
- our executive officers have no pension program (apart from a small cash balance plan that operated in lieu of a 401(k) plan from 1997- 2003);
- our annual cash incentive compensation is based on performance over one- and three-year periods, to encourage sustainable performance;
- none of our long-term incentive compensation is paid in cash;
- none of our named executive officers has any rights to automatic acceleration of equity award vesting or cash compensation triggered solely by a change of control; and

the Committee s independent compensation consultant has never provided any services to the Company other than the compensation-related services provided to the Compensation Committee and the Nominating and Governance Committee.

2012 Compensation Summary

The following table sets forth the 2012 compensation of our President and Chief Executive Officer, our Executive Vice President and Chief Financial Officer, and our three other most highly compensated executive officers, whom we collectively refer to as our named executive officers. Please see pages 40-41 for information regarding 2011 and 2010 compensation, as well as footnotes.

Name and Principal Position	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
H. Lawrence Culp, Jr., President and CEO	$ 1,117,778	0	$ 7,653,255	$ 7,888,608	$ 4,525,000	$ 1,861	$ 712,226	$ 21,898,728
Daniel L. Comas, Executive Vice President and CFO	$ 660,000	0	$ 1,785,965	$ 1,840,734	$ 1,285,000	$ 2,350	$ 258,454	$ 5,832,503
Thomas P. Joyce, Jr. Executive Vice President	$ 600,000	0	$ 1,530,865	$ 1,577,898	$ 1,140,000	$ 3,750	$ 111,848	$ 4,964,361
Angela S. Lalor, Senior Vice President-Human Resources	$ 354,167	$ 800,000	$ 2,817,924	$ 498,378	$ 150,000	0	$ 290,866	$ 4,911,335
James A. Lico, Executive Vice President	$ 600,000	0	$ 1,530,865	$ 1,577,898	$ 1,000,000	$ 2,476	$ 111,848	$ 4,823,087

CORPORATE GOVERNANCE HIGHLIGHTS

Our Board of Directors recognizes that Danaher s success over the long-term requires a strong framework of corporate governance that serves the best interests of all our shareholders. Below are highlights of our corporate governance framework:

in uncontested elections, our directors must be elected by a majority of the votes cast by our shareholders, and an incumbent director who fails to receive such a majority is required to tender his or her resignation from the Board;

by 2014, all of our directors will be elected annually;

our Chairman and CEO positions are separate;

our Board has established a Lead Independent Director position, elected by the independent directors;

all members of our Audit, Compensation and Nominating and Governance Committees are independent as defined by New York Stock Exchange listing standards;

our shareholders have the right to act by written consent;

shareholders owning 25% or more of our outstanding shares may call a special meeting of shareholders;

we have never had a shareholder rights plan;

we have no supermajority voting requirements in our certificate of incorporation; and

Danaher and its subsidiaries made no political expenditures in 2012 and we disclose our political expenditures policy on our public website.

Below is an overview of each of the director nominees you are being asked to elect at the 2013 Annual Meeting. Information about the three directors who will be continuing in office begins on page 16.

Name	Director Since	Primary Occupation	Committee Memberships
Donald J. Ehrlich*	1985	Former President and CEO, Schwab Corp.	A, C (Chair); Lead Independent Director
Linda Hefner Filler*	2005	President, North America, Claire s Stores, Inc.	N (Chair)
Teri List-Stoll*	2011	Senior Vice President and Treasurer, The Procter & Gamble Company	A
Walter G. Lohr, Jr.*	1983	Retired partner, Hogan Lovells	F
Steven M. Rales	1983	Chairman of the Board, Danaher Corporation	F
John T. Schwieters*	2003	Senior Executive, Perseus LLC	A (Chair), N
Alan G. Spoon*	1999	General Partner, Polaris Venture Partners	C

* Independent director
A Audit Committee
C Compensation Committee
F Finance Committee
N Nominating and Governance Committee

VOTING MATTERS

ELECTION OF DIRECTORS (ITEM 1). We are asking our shareholders to elect each of the seven directors identified above to serve until the 2014 annual meeting of shareholders.

Board Recommendation: FOR each nominee

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RATIFICATION OF THE APPOINTMENT OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM (ITEM 2). We are asking our shareholders to ratify our Audit Committee s selection of Ernst & Young LLP (E&Y) to act as the independent registered public accounting firm for Danaher for 2013. Although our shareholders are not required to approve the selection of E&Y, our Board believes that it is advisable to give our shareholders an opportunity to ratify this selection.

Board Recommendation: FOR

*****

APPROVAL OF AMENDMENTS TO DANAHER S 2007 STOCK INCENTIVE PLAN AND MATERIAL TERMS OF THE PLAN S PERFORMANCE GOALS (ITEM 3). We are asking our shareholders to amend Danaher s 2007 Stock Incentive Plan to (1) authorize the delivery of up to an additional 17 million shares under the Plan (no more than 4.5 million of which may be granted in any form other than stock options or SARs) for a total of 62 million authorized shares (no more than 18.5 million of the total authorized shares may be granted in any form other than stock options or SARs), and (2)(i) add total shareholder return, core revenue and market share objectives as additional performance objectives that may be applied to Section 162(m)-designated awards under the Plan (to conform the list of performance objectives available under the Plan to the list of performance objectives available under the Company s 2007 Executive Incentive Compensation Plan); (ii) provide that the Administrator cannot cancel underwater options for cash without shareholder approval; (iii) provide that any dispute arising under the Plan will be conducted in the courts of New Castle County in the State of Delaware, or the United States Federal court for the District of Delaware; and (iv) extend the duration of the Plan from May 15, 2017 to May 15, 2020. Approval of the amendments will also be deemed to constitute approval of all of the material terms of the performance goals under the Plan for purposes of Section 162(m) of the Internal Revenue Code.

Board Recommendation: FOR

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ADVISORY VOTE TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION (ITEM 4). We are asking our shareholders to cast a non-binding, advisory vote on our executive compensation program. We were gratified that in 2012, 94.9% of the votes cast by our shareholders supported our executive compensation program. In evaluating this year s say on pay proposal, we recommend that you review our CD&A, which explains how and why the Compensation Committee of our Board arrived at its executive compensation actions and decisions for 2012.

Board Recommendation: FOR

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SHAREHOLDER PROPOSAL (ITEM 5).

You are being asked to consider a shareholder proposal requesting adoption of a policy requiring that senior executives retain a significant percentage of shares acquired through equity pay programs until reaching normal retirement age.

Board Recommendation: AGAINST

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SHAREHOLDER PROPOSAL (ITEM 6). Finally, you are being asked to consider a shareholder proposal requesting that Danaher issue a report disclosing its political expenditures and political expenditure policies.

Board Recommendation: AGAINST

PROXY STATEMENT

DANAHER CORPORATION

2200 Pennsylvania Avenue, N.W., Suite 800W

Washington, D.C. 20037-1701

2013 ANNUAL MEETING OF SHAREHOLDERS

MAY 7, 2013

This Proxy Statement is furnished in connection with the solicitation by the Board of Directors (Board) of Danaher Corporation, a Delaware corporation (Danaher), of proxies for use at the 2013 Annual Meeting of Shareholders (Annual Meeting) to be held at the Washington Marriott, 1221 22nd Street N.W., Washington, D.C., on May 7, 2013 at 3:00 p.m., local time, and at any and all postponements or adjournments thereof. Danaher s principal address is 2200 Pennsylvania Avenue, N.W., Suite 800W, Washington, D.C. 20037-1701. The date of mailing of this Proxy Statement is on or about April 1, 2013.

Purpose of the Annual Meeting

The purpose of the meeting is to: elect the seven directors named in this proxy statement to hold office until the 2014 Annual Meeting of Shareholders and until their successors are elected and qualified; ratify the selection of Ernst & Young LLP as Danaher s independent registered public accounting firm for the year ending December 31, 2013; approve certain amendments to Danaher s 2007 Stock Incentive Plan and all of the material terms of the performance goals under the Plan; approve on an advisory basis the Company s named executive officer compensation; act upon a shareholder proposal requesting that Danaher s Compensation Committee adopt a policy requiring that senior executives retain a significant percentage of shares acquired through equity pay programs until reaching normal retirement age, if properly presented at the meeting; act upon a shareholder proposal requesting that Danaher issue a report disclosing its political expenditures and political expenditure policies, if properly presented at the meeting; and consider and act upon such other business as may properly come before the meeting or any adjournment thereof.

Annual Meeting Admission

Please be prepared to present photo identification for admittance. If you are a shareholder of record or hold your shares through a Danaher 401(k) plan, your name will be verified against the list of shareholders of record or plan participants on the record date prior to your being admitted to the Annual Meeting. If you are not a shareholder of record but hold shares through a broker, bank or nominee (*i.e.,* in street name), you should also be prepared to provide proof of beneficial ownership as of the record date, such as a recent brokerage account statement showing your ownership, a copy of the voting instruction card provided by your broker, bank or nominee, or other similar evidence of ownership.

Outstanding Stock and Voting Rights

In accordance with Danaher s Amended and Restated Bylaws, the Board has fixed the close of business on March 8, 2013 as the record date for determining the shareholders entitled to notice of, and to vote at, the Annual Meeting. Only shareholders of record at the close of business on that date will be entitled to vote. The only outstanding securities of Danaher entitled to vote at the Annual Meeting are shares of Common Stock, $.01 par value. Each outstanding share of Danaher Common Stock entitles the holder to one vote on each directorship and other matter brought before the Annual Meeting. As of the close of business on March 8, 2013, 692,385,298 shares of Danaher Common Stock were outstanding, excluding shares held by or for the account of Danaher.

The proxies being solicited hereby are being solicited by Danaher s Board. The total expense of the solicitation will be borne by Danaher, including reimbursement paid to banks, brokerage firms and other nominees for their reasonable expenses in forwarding material regarding the Annual Meeting to beneficial owners. Solicitation of proxies may be made personally or by mail, telephone, internet, e-mail or facsimile by officers and other management employees of Danaher, who will receive no additional compensation for their services. We have retained Georgeson Shareholder Communications, Inc. to aid in the solicitation of proxies. For these services, we expect to pay Georgeson a fee of less than $15,000 and reimburse it for certain out-of-pocket disbursements and expenses.

Proxies will be voted as specified in the shareholder s proxy. If you sign your proxy card with no further instructions, your shares will be voted (1) FOR each of the nominees named herein as directors, (2) FOR ratification of the selection of Ernst & Young LLP as Danaher s independent registered public accounting firm for the year ending December 31, 2013, (3) FOR approval of the proposed amendments to Danaher s 2007 Stock Incentive Plan and all of the material terms of the performance goals under the Plan; (4) FOR approval of the Company s named executive officer compensation, (5) AGAINST the shareholder proposal requesting adoption of a policy requiring that senior executives retain a significant percentage of shares acquired through equity pay programs until reaching normal retirement age, (6) AGAINST the shareholder proposal requesting that Danaher issue a report disclosing its political expenditures and political expenditure policies, and (7) in the discretion of the proxy holders on any other matter that properly comes before the meeting or any adjournment thereof. The Board has selected Steven Rales and Mitchell Rales to act as proxies with full power of substitution.

Voting Requirements With Respect to Each of the Proposals Described in this Proxy Statement

Quorum. The quorum necessary to conduct business at the Annual Meeting consists of a majority of the issued and outstanding shares of Danaher Common Stock entitled to vote at the Annual Meeting as of the record date. Abstentions and broker non-votes will be counted as present in determining whether the quorum requirement is satisfied.

Broker Non-Votes. Under New York Stock Exchange (NYSE) rules, if your broker holds your shares in its name and does not receive voting instructions from you, your broker has discretion to vote those shares on Proposal 2, which is considered a routine matter. However, on non-routine matters such as Proposals 1 and 3-6, your broker must receive voting instructions from you, as it does not have discretionary voting power for these particular items. Therefore, if you are a beneficial owner and do not provide your broker with voting instructions, your shares may constitute broker non-votes with respect to Proposals 1 and 3-6. Broker non-votes will not affect the required vote with respect to Proposals 1 and 3-6 (and will not affect the attainment of a quorum since the broker has discretion to vote on Proposal 2 and these votes will be counted toward establishing a quorum). However, in order for Proposal 3 to be approved, the NYSE listing standards require that the total votes cast must represent more than 50% of the Danaher Common Stock issued, outstanding and entitled to vote at the Annual Meeting (with abstentions counting as votes cast and broker non-votes not counting as votes cast). **As a result, the failure to give your broker instructions for how to vote on Proposal 3 could, depending on the number of votes cast, result in the proposal not being approved.**

Approval Requirements. If a quorum is present, the vote required under the Company s Amended and Restated Bylaws to approve each of the proposals is as follows. All votes will be counted by the inspector of election appointed for the meeting.

With respect to Proposal 1, the election of directors, you may vote for or against any or all director nominees or you may abstain as to any or all director nominees. In uncontested elections of directors, such as this election, a nominee is elected by a majority of the votes cast by the shares present in person or represented by proxy and entitled to vote. A majority of the votes cast means that the number of votes cast for a director nominee must exceed the number of votes cast against that nominee. A vote to abstain is not treated as a vote for or against, and thus will have no effect on the outcome of the vote. Under our director resignation policy, our Board will not nominate a director for election, or appoint a director to fill a vacancy or new directorship, unless the individual has tendered in advance an irrevocable resignation effective in such circumstances where the individual does not receive a majority of the votes cast in an uncontested election and such resignation is accepted by the Board. If an incumbent director is not elected by a majority of the votes cast in an uncontested election, our Nominating and Governance Committee will submit for prompt consideration by the Board a recommendation whether to accept or reject the director s resignation. The Board expects the director whose resignation is under consideration to abstain from participating in any decision regarding that resignation.

With respect to Proposals 2-6, the affirmative vote of a majority of the shares of Danaher Common Stock represented in person or by proxy and entitled to vote on the proposal is required for approval. For these proposals, abstentions are counted for purposes of determining the minimum number of affirmative votes required for approval and, accordingly, have the effect of a vote against the proposal.

Voting Methods

If your shares are registered directly in your name with our transfer agent, Computershare Trust Company, N.A., you are considered the registered holder of those shares. As the registered shareholder, you can ensure your shares are voted at the Annual Meeting by submitting your instructions by telephone, over the internet, by completing, signing, dating and returning the enclosed proxy card in the envelope provided, or by attending the Annual Meeting and voting your shares at the meeting. Telephone and internet voting for registered shareholders will be available 24 hours a day, up until 11:59 p.m. Central time on May 6, 2013. You may obtain directions to the Annual Meeting in order to vote in person by calling Danaher s Investor Relations department at 202-828-0850.

Most Danaher shareholders hold their shares through a broker, bank or another nominee, rather than registered directly in their name. In that case, you are considered the beneficial owner of shares held in street name, and the proxy materials are being forwarded to you by your broker, bank or other nominee, together with a voting instruction card. As the beneficial owner, you are entitled to direct the voting of your shares by your intermediary. Brokers, banks and other nominees typically offer telephonic or electronic means by which the beneficial owners of shares held by them can submit voting instructions, in addition to the traditional mailed voting instruction cards.

If you participate in the Danaher Stock Fund through the Danaher Corporation & Subsidiaries Savings Plan (the 401(k) Plan) or the Danaher Corporation & Subsidiaries Retirement and Savings Plan (collectively with the 401(k) Plan, the Savings Plans), your proxy will also serve as a voting instruction for Fidelity Management Trust Company (Fidelity), the trustee of the Savings Plans, with respect to shares of Common Stock attributable to your Savings Plan account as of the record date. Fidelity will vote your Savings Plan shares as of the record date in the manner directed by you. If Fidelity does not receive voting instructions from you by May 2, 2013, Fidelity will not vote your Savings Plan shares on any of the proposals brought at the Annual Meeting.

Changing Your Vote

Any person giving a proxy pursuant to this solicitation has the power to revoke it at any time before it is voted. It may be revoked by filing with the Secretary of Danaher a written notice of revocation or a duly executed proxy bearing a later date, or it may be revoked by attending the meeting and voting in person. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to revoke your proxy or vote at the meeting, you must follow the instructions provided to you by the record holder and/or obtain from the record holder a proxy issued in your name. Attendance at the meeting will not, by itself, revoke a proxy.

Delivery of Documents to Shareholders Sharing an Address

Danaher and some banks, brokers and other nominee record holders participate in the practice of householding proxy statements and annual reports. This means that only one copy of our proxy statement and annual report to shareholders may have been sent to multiple shareholders in your household. You may revoke your consent to householding at any time by sending your name, the name of your brokerage firm, and your account number to Householding Department, 51 Mercedes Way, Edgewood, NY 11717 or telephoning 1-800-542-1061. The revocation of your consent to householding will be effective 30 days after its receipt. We will promptly deliver a separate copy of our annual report and proxy statement to you if you contact us at Danaher Corporation, Attn: Investor Relations, 2200 Pennsylvania Avenue, N.W., Suite 800W, Washington, D.C. 20037-1701; telephone us at 202-828-0850; or email us at investor.relations@danaher.com. If you want to receive separate copies of the proxy statement or annual report in the future; if you and another shareholder sharing an address would like to request delivery of a single copy of the proxy statement or annual report at such address in the future; or if you would like to make a permanent election to receive either printed or electronic copies of the proxy materials and annual report in the future, you may contact us at the above address, telephone number or email address.

BENEFICIAL OWNERSHIP OF DANAHER COMMON STOCK BY

DIRECTORS, OFFICERS AND PRINCIPAL SHAREHOLDERS

The following table sets forth as of March 8, 2013, the number of shares and percentage of Danaher Common Stock beneficially owned by (1) each person who owns of record or is known to Danaher to beneficially own more than five percent of Danaher s Common Stock, (2) each of Danaher s directors and nominees for director and each of the executive officers named in the Summary Compensation Table (the named executive officers), and (3) all executive officers and directors of Danaher as a group. Except as otherwise indicated and subject to community property laws where applicable, each person or entity included in the table below has sole voting and investment power with respect to the shares beneficially owned by that person or entity. Under applicable SEC rules, the definition of beneficial ownership for purposes of this table includes shares over which a person or entity has sole or shared voting or investment power, whether or not the person or entity has any economic interest in the shares, and also includes shares as to which the person has the right to acquire beneficial ownership within 60 days of March 8, 2013.

Name	Number of Shares Beneficially Owned (1)	Percent of Class (1)
Mortimer M. Caplin	170,114(2)	*
H. Lawrence Culp, Jr.	2,908,460(3)	*
Donald J. Ehrlich	187,755(4)	*
Linda Hefner Filler	62,669(5)	*
Teri List-Stoll	4,815(6)	*
Walter G. Lohr, Jr.	683,957(7)	*
Mitchell P. Rales	48,018,746(8)	6.9%
Steven M. Rales	43,928,088(9)	6.3%
John T. Schwieters	73,757(10)	*
Alan G. Spoon	81,796(11)	*
Elias A. Zerhouni, M.D.	25,255(12)	*
Daniel L. Comas	1,002,308(13)	*
Thomas P. Joyce, Jr.	456,921(14)	*
Angela S. Lalor	0	
James A. Lico	617,694(15)	*
T. Rowe Price Associates, Inc.	70,080,876(16)	10.1%
FMR LLC	35,461,284(17)	5.1%
All executive officers and directors as a group (20 persons)	98,696,824(18)	14.1%

(1) Pursuant to the definition of beneficial ownership, balances credited to each executive officer s account under the Amended and Restated Danaher Corporation Executive Deferred Incentive Program (the EDIP), which could under the terms of the EDIP be converted into shares of Danaher Common Stock within 60 days of March 8, 2013, are reflected in the table. EDIP participants generally have the right to terminate employment at any time and at their election receive an immediate distribution of their vested EDIP balance in the form of Danaher Common Stock. For purposes of the table, the number of shares of Danaher Common Stock attributable to a person s EDIP account is equal to (1) the person s outstanding EDIP balance as of March 8, 2013 (to the extent such balance is vested or will become vested within 60 days of March 8, 2013), divided by (2) the closing price of Danaher Common Stock as reported on the NYSE on March 8, 2013 ($61.94 per share). For purposes of the table, the number of shares attributable to each executive officer s 401(k) account is equal to (a) the officer s balance, as of March 8, 2013, in the Danaher stock fund included in the executive officer s 401(k) account (the 401(k) Danaher Stock Fund), divided by (b) the closing price of Danaher Common Stock as reported on the NYSE on March 8, 2013. The 401(k) Danaher Stock Fund consists of a unitized pool of Danaher Common Stock and cash. The table also includes shares that may be acquired upon (x) exercise of options that are exercisable within 60 days of March 8, 2013, or (y) vesting of restricted stock units (RSUs) that vest within 60 days of March 8, 2013.

(2) Includes 83,138 shares, options to acquire 63,060 shares and 2,695 RSUs, in each case owned by a revocable trust of which Mr. Caplin and his spouse are the sole trustees, and 21,221 shares held by a charitable foundation of which Mr. Caplin is director and president. Mr. Caplin disclaims beneficial ownership of the shares held by the charitable foundation.

(3) Includes options to acquire 1,832,400 shares, 3,661 shares attributable to Mr. Culp s 401(k) account, 313,304 shares attributable to Mr. Culp s EDIP account and 670,761 shares owned indirectly.

(4) Includes options to acquire 63,060 shares, 2,695 RSUs, 2,000 shares owned by Mr. Ehrlich s spouse and 44,800 other shares owned indirectly. Mr. Ehrlich disclaims beneficial ownership of the shares held by his spouse.

(5) Includes options to acquire 47,060 shares and 2,695 RSUs.

(6) Includes options to acquire 3,440 shares and 1,375 RSUs.

(7) Includes options to acquire 71,060 shares, 2,695 RSUs, 55,546 shares held by a charitable foundation of which Mr. Lohr is president, 106,656 shares held by Mr. Lohr as trustee of trusts for his children and 448,000 other shares held indirectly. Mr. Lohr disclaims beneficial ownership of the shares held by the charitable foundation and the shares held in trust for his children.

(8) Includes 40,000,000 shares owned by limited liability companies of which Mr. Rales is the sole member, 133,521 shares attributable to Mr. Rales 401(k) account, 785,913 shares held by an estate as to which Mr. Rales shares voting and investment power and 3,178,080 other shares owned indirectly. The shares held by the limited liability companies are pledged to secure lines of credit with certain banks and each of these entities and Mr. Rales is in compliance with these lines of credit. The business address of Mitchell Rales, and of each of the limited liability companies, is 2200 Pennsylvania Avenue, N.W., Suite 800W, Washington, D.C. 20037-1701.

(9) Includes 40,000,000 shares owned by limited liability companies of which Mr. Rales is the sole member, 10,435 shares attributable to Mr. Rales 401(k) account, 785,913 shares held by an estate as to which Mr. Rales shares voting and investment power and 117,000 shares owned by a charitable foundation of which Mr. Rales is a director. Mr. Rales disclaims beneficial ownership of those shares held by the charitable foundation. The shares held by the limited liability companies are pledged to secure lines of credit with certain banks and each of these entities and Mr. Rales is in compliance with these lines of credit. The business address of Steven Rales, and of each of the limited liability companies, is 2200 Pennsylvania Avenue, N.W., Suite 800W, Washington, D.C. 20037-1701.

(10) Includes options to acquire 63,060 shares, 2,695 RSUs and 2,000 shares owned indirectly.

(11) Includes options to acquire 31,060 shares and 2,695 RSUs.

(12) Includes options to acquire 15,060 shares and 2,695 RSUs.

(13) Includes options to acquire 910,240 shares, 6,591 shares attributable to Mr. Comas 401(k) account, 23,098 shares attributable to Mr. Comas EDIP account, 4,528 shares held by Mr. Comas spouse and 38,804 shares held by a trust as to which Mr. Comas spouse is trustee. Mr. Comas disclaims beneficial ownership of the shares held by his spouse and by the trust.

(14) Includes options to acquire 369,050 shares, 674 shares attributable to Mr. Joyce s 401(k) account and 84,656 shares attributable to Mr. Joyce s EDIP account

(15) Includes options to acquire 534,050 shares, 9,989 shares attributable to Mr. Lico s 401(k) account and 51,135 shares attributable to Mr. Lico s EDIP account.

(16) The amount shown and the following information is derived from a Schedule 13G filed February 8, 2013 by T. Rowe Price Associates, Inc. (Price Associates), which sets forth Price Associates beneficial ownership as of December 31, 2012. According to the Schedule 13G, Price Associates has sole voting power over 21,911,110 shares and sole dispositive power over 70,080,876 shares. These shares are owned

by various individual and institutional investors for which Price Associates serves as an investment adviser with power to direct investments and/or sole power to vote the securities. For purposes of the Securities Exchange Act of 1934, as amended (Securities Exchange Act), Price Associates is deemed to be a beneficial owner of such securities; however, Price Associates expressly disclaims that it is, in fact, the beneficial owner of such securities. The address of Price Associates is 100 E. Pratt Street, Baltimore, Maryland 21202.

(17) The amount shown and the following information is derived from a Schedule 13G filed February 14, 2013 filed by FMR LLC and Edward C. Johnson 3d, which sets forth their respective beneficial ownership as of December 31, 2012. According to the Schedule 13G, FMR LLC has sole voting power over 3,423,709 shares and sole dispositive power over 35,461,284 shares. The Schedule 13G further states that 30,786,049 of the shares reported are beneficially owned by Fidelity Management & Research Company, an investment adviser and a wholly-owned subsidiary of FMR LLC, as a result of acting as investment adviser to various investment companies (collectively, the Fidelity Funds), and with respect to these shares, FMR LLC, Mr. Edward C. Johnson 3d and each of the Fidelity Funds exercise sole investment power and the Fidelity Funds Boards of Trustees exercises sole voting power; 181,770 shares are beneficially owned by Fidelity Management Trust Company, an investment manager and wholly-owned subsidiary of FMR LLC and with respect to these shares, each of FMR LLC and Mr. Edward C. Johnson 3d exercise sole investment power and sole voting power; 321,619 shares are beneficially owned by Strategic Advisors, Inc., an investment advisor and wholly owned subsidiary of FMR LLC; 461,390 shares are beneficially owned by Pyramis Global Advisors, LLC (PGALLC), an investment advisor and wholly-owned subsidiary of FMR LLC (Mr. Johnson and FMR LLC, through its control of PGALLC, each has sole investment power with respect to 956,780 shares owned by institutional accounts or funds advised by PGALLC, and sole voting power with respect to 461,390 of such shares); 1,375,553 shares are owned by Pyramis Global Advisors Trust Company (PGATC), an investment manager and a wholly-owned subsidiary of FMR LLC (each of Mr. Johnson and FMR LLC, through its control of PGATC, has sole investment power with respect to 1,902,405 shares owned by institutional accounts managed by PGATC, and sole voting power with respect to 1,145,713 of such shares; and the remaining 2,334,903 shares reported are beneficially owned by FIL Limited (FIL), an investment adviser and investment manager independent of FMR LLC as to which partnerships controlled predominantly by members of Mr. Johnson s family, or trusts for their benefit, own shares of voting stock. FMR LLC disclaims beneficial ownership of the shares beneficially owned by FIL Limited. The address of FMR LLC is 82 Devonshire Street, Boston, Massachusetts 02109.

(18) Includes options to acquire 4,627,232 shares, 20,240 RSUs, 259,752 shares attributable to executive officers 401(k) accounts and 661,710 shares attributable to executive officers EDIP accounts.

* Represents less than 1% of the outstanding Danaher Common Stock.

PROPOSAL 1.

ELECTION OF DIRECTORS OF DANAHER

In May 2011, following approval by the Board, the Company s shareholders approved an amendment to Danaher s Restated Certificate of Incorporation to declassify the Board and provide for the annual election of directors. The amendment did not shorten the existing term of any director, and as a result the directors elected to three-year terms prior to the effectiveness of the amendment will complete those terms. As a result of the declassification amendment, the directors elected at the 2013 Annual Meeting (and at each annual meeting thereafter) will be elected for one-year terms and beginning with the 2014 annual meeting the entire Board will be elected annually.

At the 2013 Annual Meeting, shareholders will be asked to elect the seven directors set forth below to serve until the 2014 annual meeting of shareholders and until their successors are duly elected and qualified. The Board has nominated Donald J. Ehrlich, Linda Hefner Filler, Teri List-Stoll, Walter G. Lohr, Jr., Steven M. Rales, John T. Schwieters and Alan G. Spoon, each of whom currently serves as a director of the Company. Mr. Mortimer M. Caplin, a member of our Board since 1990, will not stand for re-election and will retire from our Board as of the 2013 Annual Meeting. We extend our gratitude to Mr. Caplin for his years of dedicated service to Danaher. Although as of the date of this Proxy Statement the number of directors is fixed at eleven, the Board has adopted a resolution that effective as of Mr. Caplin s retirement, the size of the Board will be reduced to ten members. Proxies cannot be voted for a greater number of persons than the seven nominees named in this Proxy Statement. H. Lawrence Culp, Jr., Mitchell P. Rales and Elias A. Zerhouni, M.D. will continue to serve as directors in the class whose term expires in 2014.

We have set forth below information relating to each nominee for election as director and each director continuing in office, including: his or her principal occupation and any board memberships at other public companies during the past five years; the other experience, qualifications, attributes or skills that led the Board to conclude that he or she should serve or should continue to serve as a director of Danaher; the year in which he or she became a director; age; and the year in which his or her term is scheduled to expire. Please see Corporate Governance Board of Directors and Committees of the Board Nominating and Governance Committee for a further discussion of the Board s process for nominating these candidates. In the event a nominee declines or is unable to serve, the proxies may be voted in the discretion of the proxy holders for a substitute nominee designated by the Board, or the Board may reduce the number of directors to be elected. We know of no reason why this will occur.

Nominees for One Year Terms That Will Expire in 2014

Donald J. Ehrlich Age 75	Mr. Ehrlich has served on Danaher s Board of Directors since 1985. He served as President and Chief Executive Officer of Schwab Corp., a manufacturer of fire-protective safes, files, cabinets and vault doors, from January 2003 until his retirement in July 2008, and has also served on the boards of private and non-profit organizations.
	Mr. Ehrlich also founded and served as the chairman and chief executive officer of an NYSE-listed publicly-traded manufacturing company, and has also founded and served as CEO of two privately held manufacturing companies. As an entrepreneur and business leader who began his career on the factory floor, has been awarded over fifteen patents and worked his way to leadership of an NYSE-listed publicly-traded company, Mr. Ehrlich has a broad understanding of the strategic challenges and opportunities facing a publicly-traded manufacturing company such as Danaher. He also has a broad, functional skill-set in the areas of engineering, finance, capital allocation and executive compensation.

Linda Hefner Filler Age 53	Ms. Hefner Filler has served on Danaher s Board of Directors since 2005. She has served as President, North America of Claire s Stores, Inc., a specialty retailer, since March 2013. From May 2007 to June 2012, she served as Executive Vice President of Wal-Mart Stores Inc. (an operator of retail stores and warehouse clubs) and from April 2009 to June 2012 as Chief Merchandising Officer for Sam s Club, a division of Wal-Mart. From May 2004 through December 2006, Ms. Hefner Filler served as Executive Vice President Global Strategy for Kraft Foods Inc., a manufacturer and seller of branded foods and beverages. Ms. Hefner Filler has served in senior management roles with leading retail and consumer goods companies, with general management responsibilities and responsibilities in the areas of marketing, branding and merchandising. Understanding and responding to the needs of our customers is fundamental to Danaher s business strategy, and Ms. Hefner Filler s keen marketing and branding insights have been a valuable resource to Danaher s Board. Her prior leadership experiences with large public companies has given her valuable perspective for matters of global portfolio strategy and capital allocation as well as global business practices.
Teri List-Stoll Age 50	Ms. List-Stoll has served on Danaher s Board of Directors since September 2011. She has been Senior Vice President and Treasurer of The Procter & Gamble Company since 2009, and has served in a series of progressively more responsible positions in the Procter & Gamble accounting and finance organization since joining the company in 1994. Prior to joining Procter & Gamble, Ms. List-Stoll was employed by the accounting firm of Deloitte & Touche for almost ten years. Ms. List-Stoll has served in senior finance and accounting roles with one of the world s leading consumer goods companies. Her experience dealing with complex finance and accounting matters for Procter & Gamble gives her an appreciation for and understanding of the similarly complex finance and accounting matters that Danaher faces. In addition, through her leadership role with one of the world s largest public companies she has insight into the business practices that are critical to the success of a large, growing public company such as Danaher.
Walter G. Lohr, Jr. Age 69	Mr. Lohr has served on Danaher s Board of Directors since 1983. He was a partner of Hogan Lovells, a global law firm, for over five years until retiring in June 2012 and has also served on the boards of private and non-profit organizations. Prior to his tenure at Hogan Lovells, Mr. Lohr served as assistant attorney general for the State of Maryland. He has extensive experience advising companies in a broad range of transactional matters, including mergers and acquisitions, contests for corporate control and securities offerings. His extensive knowledge of the legal strategies, issues and dynamics that pertain to mergers and acquisitions and capital raising have been a critical resource for Danaher given the importance of its acquisition program.

Steven M. Rales Age 62	Mr. Rales is a co-founder of Danaher and has served on Danaher s Board of Directors since 1983, serving as Danaher s Chairman of the Board since 1984. He was also CEO of the Company from 1984 to 1990. In addition, for more than the past five years he has been a principal in a private business entity in the area of film production. Mr. Rales is a brother of Mitchell P. Rales.
	The strategic vision and leadership of Mr. Rales and his brother, Mitchell Rales, helped create the Danaher Business System and have guided Danaher down a path of consistent, profitable growth that continues today. In addition, as a result of his substantial ownership stake in Danaher, he is well-positioned to understand, articulate and advocate for the rights and interests of the Company s shareholders.
John T. Schwieters Age 73	Mr. Schwieters has served on Danaher s Board of Directors since 2003. He has been a Senior Executive of Perseus, LLC, a merchant bank and private equity fund management company, since May 2012 after serving as Senior Advisor from March 2009 to May 2012 and as Vice Chairman from April 2000 to March 2009. Mr. Schwieters is a member of the board of directors of Smithfield Foods, Inc. and Choice Hotels International, Inc., and within the past five years has also served as a director of Union Street Acquisition Corp.
	In addition to his roles with Perseus, Mr. Schwieters led the Mid-Atlantic region of one of the world s largest accounting firms after previously leading that firm s tax practice in the Mid-Atlantic region, and has served on the boards and chaired the audit committees of several NYSE-listed public companies. He brings to Danaher extensive knowledge and experience in the areas of public accounting, tax accounting and finance, which are areas of critical importance to Danaher as a large, global and complex public company.
Alan G. Spoon Age 61	Mr. Spoon has served on Danaher s Board of Directors since 1999. He has served as General Partner of Polaris Venture Partners, a company that invests in private technology firms, since May 2000. Mr. Spoon is also a member of the board of directors of IAC/InterActiveCorp., and within the past five years has also served as a director of Getty Images, Inc. and TechTarget, Inc.
	In addition to his leadership role at Polaris Venture Partners, Mr. Spoon previously served as president, chief operating officer and chief financial officer of one of the country s largest, publicly-traded education and media companies, and has served on the boards of numerous public and private companies. His public company leadership experience gives him insight into business strategy, leadership and executive compensation and his public company and private equity experience give him insight into technology trends, acquisition strategy and financing, each of which represents an area of key strategic opportunity for the Company.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR EACH OF THE FOREGOING NOMINEES.

Continuing Directors Whose Terms Will Expire in 2014

H. Lawrence Culp, Jr.

Age 50

Mr. Culp has served on Danaher s Board of Directors and as Danaher s President and Chief Executive Officer since May 2001. Within the past five years, he also previously served as a member of the board of directors of GlaxoSmithKline plc.

Mr. Culp joined the Company in 1990 and served in leadership positions in a variety of different functions and businesses before his promotion to President and CEO in 2001. His broad operating and functional experience and in-depth knowledge of Danaher s businesses and of the Danaher Business System are particularly valuable given the complex, diverse nature of Danaher s portfolio. His insights and perspective from his previous service on the board of one of the world s largest pharmaceutical companies have also proved valuable to Danaher. These experiences, combined with Mr. Culp s talent for leadership and his long-term strategic perspective, have helped drive Danaher s sustained record of growth and performance through a full range of economic cycles.

Mitchell P. Rales

Age 56

Mr. Rales is a co-founder of Danaher and has served on Danaher s Board of Directors since 1983, serving as Chairman of the Executive Committee of Danaher since 1984. He was also President of the Company from 1984 to 1990. In addition, for more than the past five years he has been a principal in private and public business entities in the manufacturing area. Mr. Rales is also a member of the board of directors of Colfax Corporation, and is a brother of Steven M. Rales.

The strategic vision and leadership of Mr. Rales and his brother, Steven Rales, helped create the Danaher Business System and have guided Danaher down a path of consistent, profitable growth that continues today. In addition, as a result of his substantial ownership stake in Danaher, he is well-positioned to understand, articulate and advocate for the rights and interests of the Company s shareholders.

Elias A. Zerhouni, M.D.

Age 61

Dr. Zerhouni has served on Danaher s Board of Directors since 2009. Dr. Zerhouni has served as President, Global Research & Development, for Sanofi-Aventis, a global pharmaceutical company, since January 2011. From 1996 to 2002, Dr. Zerhouni served as Chair of the Russell H. Morgan Department of Radiology and Radiological Sciences, Vice Dean for Research and Executive Vice Dean of the Johns Hopkins School of Medicine. From 2002 to November 2008, Dr. Zerhouni served as director of the National Institutes of Health (NIH), and from November 2008 to December 2010 he provided advisory and consulting services to various non-profit and other organizations as Chairman and President of Zerhouni Holdings.

Dr. Zerhouni, a physician, scientist and world-renowned leader in radiology research, is widely viewed as one of the leading authorities in the United States on emerging trends and issues in medicine and medical care. These insights, as well as his deep, technical knowledge of the research and clinical applications of medical technologies, are of considerable importance given Danaher s strategic expansion in the medical technologies markets. Dr. Zerhouni s government experience also gives him a strong understanding of how government agencies work, and his experience growing up in North Africa, together with the global nature of the issues he faced at NIH, give him a global perspective that is valuable to Danaher.

CORPORATE GOVERNANCE

Corporate Governance Overview

Our Board of Directors recognizes that Danaher s success over the long-term requires a strong framework of corporate governance that serves the best interests of all our shareholders. Below are highlights of our corporate governance framework, and additional details follow in the sections below:

- in uncontested elections our directors must be elected by a majority of the votes cast by our shareholders, and an incumbent director who fails to receive such a majority is required to tender his or her resignation from the Board;

- by 2014, all of our directors will be elected annually;

- our Chairman and CEO positions are separate;

- our Board has established a Lead Independent Director position, elected by the independent directors

- all members of our Audit, Compensation and Nominating and Governance Committees are independent as defined by New York Stock Exchange listing standards;

- our shareholders have the right to act by written consent;

- shareholders owning 25% or more of our outstanding shares may call a special meeting of shareholders;

- we have never had a shareholder rights plan;

- we have no supermajority voting requirements in our certificate of incorporation; and

- Danaher and its subsidiaries made no political expenditures in 2012 and we disclose our political expenditures policy on our public website.

Corporate Governance Guidelines, Committee Charters and Standards of Conduct

As part of its ongoing commitment to good corporate governance, our Board of Directors has codified its corporate governance practices into a set of Corporate Governance Guidelines and has also adopted written charters for each of the Audit Committee, the Compensation Committee and the Nominating and Governance Committee of the Board. Danaher has also adopted a code of business conduct and ethics for directors, officers (including our principal executive officer, principal financial officer and principal accounting officer) and employees, known as the Standards of Conduct. The Corporate Governance Guidelines, committee charters and Standards of Conduct referenced above are each available in the Investor Corporate Governance section of our website at http://www.danaher.com.

Board Leadership Structure and Risk Oversight

Board Leadership Structure. The Board has separated the positions of Chairman and CEO because it believes that, at this time, this structure best enables the Board to ensure that Danaher s business and affairs are managed effectively and in the best interests of shareholders. This is particularly the case in light of the fact that the Company s Chairman is Steven Rales, a co-founder of the Company who owns approximately

6.3% of the Company s outstanding shares, served as CEO of the company from 1984 to 1990 and continues to serve as an executive officer of the company. As a result of his substantial ownership stake in the Company, the Board believes that Mr. Rales is uniquely able to understand, articulate and advocate for the rights and interests of the Company s shareholders. Moreover, Mr. Rales uses his management experience with the Company and Board tenure to help ensure that the non-management directors have a keen understanding of the Company s business as well as the strategic and other risks and opportunities that the Company faces. This enables the Board to more effectively provide insight and direction to, and exercise oversight of, the Company s President and CEO and the rest of the management team responsible for the Company s day-to-day business (including with respect to oversight of risk management).

Because Mr. Rales is not independent within the meaning of the NYSE listing standards, our Corporate Governance Guidelines require the appointment of a Lead Independent Director. Our independent directors have appointed Mr. Ehrlich as our Lead Independent Director. As the Lead Independent Director, Mr. Ehrlich:

presides at all meetings of the Board at which the Chairman of the Board and the Chair of the Executive Committee are not present, including the executive sessions of non-management directors;

has the authority to call meetings of the independent directors;

acts as a liaison as necessary between the independent directors and the management directors; and

advises with respect to the Board s agenda.

Risk Oversight. The Board s role in risk oversight at the Company is consistent with the Company s leadership structure, with management having day-to-day responsibility for assessing and managing the Company s risk exposure and the Board and its committees overseeing those efforts, with particular emphasis on the most significant risks facing the Company. The Board oversees the Company s risk management processes directly and through its committees. In general, the Board oversees the management of risks inherent in the operation of the Company s businesses, the implementation of its strategic plan, its acquisition and capital allocation program, its capital structure and liquidity and its organizational structure. Each of the Board s committees also oversees the management of Company risks that fall within the committee s areas of responsibility. The Audit Committee oversees risks related to financial controls and legal and compliance risks and generally oversees the Company s risk assessment and risk management policies; the Nominating and Governance Committee oversees corporate governance risks; and the Compensation Committee considers the impact of the Company s compensation programs on the Company s risk profile. Each committee reports to the full Board on a regular basis, including as appropriate with respect to the committee s risk oversight activities. In addition, since risk issues often overlap, committees from time to time request that the full Board discuss particular risks. On an annual basis, the Company s Risk Committee (consisting of members of senior management) inventories, assesses and prioritizes the most significant risks facing the Company as well as related mitigation efforts and provides a report to the Board. With respect to the manner in which the Board s risk oversight function impacts the Board s leadership structure, as described above our Board believes that Mr. Rales management experience and tenure help the Board to more effectively exercise its risk oversight function.

Director Independence

At least a majority of the Board must qualify as independent within the meaning of the listing standards of the NYSE. The Board has affirmatively determined that other than Messrs. Steven Rales, Mitchell Rales and H. Lawrence Culp, Jr., each of whom is an executive officer of Danaher, all of the remaining eight members of the Board, consisting of Mss. Hefner Filler and List-Stoll, Messrs. Caplin, Ehrlich, Lohr, Schwieters and Spoon and Dr. Zerhouni, are independent within the meaning of the listing standards of the NYSE. The Board concluded that none of the independent directors possesses any of the bright-line relationships set forth in the listing standards of the NYSE that prevent independence, or except as discussed below, any other relationship with Danaher other than Board membership.

In making its determination with respect to the independence of the directors identified above as independent, the Board considered the following transactions, relationships and arrangements. In 2012, the Company and its subsidiaries sold products to The Procter & Gamble Company, where Ms. List-Stoll serves as an officer; sold products to and purchased products from Sanofi-Aventis, where Dr. Zerhouni serves as an officer; and sold products to Wabash National Corp., where an immediate family member of Mr. Ehrlich serves as an officer. In each case, the amount of sales and the amount of purchases in 2012 were less than 0.05% of the 2012 revenues of such other company and less than 0.1% of Danaher s 2012 revenues. In addition, Ms. Hefner Filler served as an officer of Wal-Mart Stores Inc. until June 2012. In February 2012, while Ms. Hefner Filler was still employed by Wal-Mart, the Board considered the fact that in 2011 the Company and its subsidiaries sold products to and purchased products from Wal-Mart, in each case in amounts less than 0.05% of Wal-Mart s 2011 revenues and less than 0.1% of Danaher s 2011 revenues. In all of the cases described above, the sales and purchases were made in the ordinary course of business, on commercial terms and on an arms -length basis and the director had no role in the decision-making with respect to such transactions, and in each case the Board determined that such transactions do not create a material relationship between the director and Danaher and do not affect the director s independence. Finally, Mr. Lohr served as a partner of the Hogan Lovells law firm until his retirement in June 2012. In February 2012, prior to Mr. Lohr s retirement as a Hogan Lovells partner, the Board considered the fact that attorneys at Hogan Lovells provide legal services to entities controlled by Messrs. Steven Rales and Mitchell Rales. The aggregate amount of legal services provided by Hogan Lovells in 2011 to the Rales affiliates was less than 0.1% of Hogan Lovells 2011 revenues. The Board concluded that the relationship did not constitute a material relationship with respect to Mr. Lohr because it did not impair Mr. Lohr s independent judgment in connection with his duties and responsibilities as a director of Danaher.

In light of Mr. Lohr s retirement as a Hogan Lovells partner in 2012 and Ms. Hefner Filler s departure from Wal-Mart in 2012, there were no transactions, relationships or arrangements with respect to Mr. Lohr or Ms. Hefner Filler, respectively, that the Board considered in determining their independence in February 2013. In 2012 the Company and its subsidiaries sold products to, and purchased products from, Wal-Mart in amounts less than 0.05% of Wal-Mart s 2012 revenues and less than 0.1% of Danaher s 2012 revenues, and Hogan Lovells provided legal services to the Rales affiliates in an amount less than 0.1% of Hogan Lovells 2012 revenues.

Danaher s non-management directors (all of whom are independent within the meaning of the listing standards of the NYSE) meet in executive session following the Board s regularly-scheduled meetings. The sessions are scheduled and chaired by the Lead Independent Director.

Board of Directors and Committees of the Board

General. The Board met nine times during 2012. All directors attended at least 75% of the aggregate of the total number of meetings of the Board and of all committees of the Board on which they served (during the period they so served) during 2012. Danaher typically schedules a Board meeting in conjunction with each annual meeting of shareholders and as a general matter expects that the members of the Board will attend the annual meeting. Nine of the eleven directors serving at the time attended the Company s annual meeting in May 2012.

The membership of each of the Audit, Compensation, Nominating and Governance and Finance committees as of March 8, 2013 is set forth below.

Name of Director	Audit	Compensation	Nominating and Governance	Finance
Mortimer M. Caplin	X	X		
H. Lawrence Culp, Jr.				X
Donald J. Ehrlich	X	X*		
Linda Hefner Filler			X*	
Walter G. Lohr, Jr.				X
Teri List-Stoll	X			
Mitchell P. Rales				X*
Steven M. Rales				X
John T. Schwieters	X*		X	
Alan G. Spoon		X		
Elias A. Zerhouni, M.D.			X	

X = committee member; * = Chair

Audit Committee. The Audit Committee met seven times during 2012. The Audit Committee assists the Board in overseeing the quality and integrity of Danaher s financial statements, the effectiveness of Danaher s internal controls over financial reporting, Danaher s compliance with legal and regulatory requirements, the qualifications, independence and performance of Danaher s independent auditors and the performance of Danaher s internal audit function, and also oversees the Company s risk assessment and risk management policies. The Committee reports to the Board on its actions and recommendations at each regularly scheduled Board meeting. The Board has determined that all of the members of the Audit Committee are independent for purposes of Rule 10A-3(b)(1) under the Securities Exchange Act and the NYSE listing standards, that Messrs. Schwieters and Ehrlich and Ms. List-Stoll each qualify as an audit committee financial expert as that term is defined in Item 407(d)(5) of Regulation S-K and that each member of the Audit Committee is financially literate within the meaning of the NYSE listing standards.

Compensation Committee. The Compensation Committee met ten times during 2012. The Compensation Committee discharges the Board s responsibilities relating to compensation of our executive officers, including evaluating the performance of, and approving the compensation paid to, our executive officers. The Committee also:

- reviews and discusses with Company management the Compensation Discussion & Analysis (CD&A) included in the Company s annual meeting proxy statement and recommends to the Board the inclusion of the CD&A in the annual meeting proxy statement;

- reviews and makes recommendations to the Board with respect to the adoption, amendment and termination of all executive incentive compensation plans and all equity compensation plans, and exercises all authority of the Board (and all responsibilities assigned by such plans to the Committee) with respect to the administration of such plans;

- monitors compliance by directors and executive officers with the Company s stock ownership requirements; and

- considers the impact of the Company s compensation programs on the Company s risk profile.

Each member of the Compensation Committee is an outside director for purposes of Section 162(m) (Section 162(m)) of the Internal Revenue Code (the Code), a non-employee director for purposes of Rule 16b-3 under the Securities Exchange Act and, based on the determination of the Board, independent under the NYSE listing standards. While the Committee s charter authorizes it to delegate its powers to sub-committees, the Committee did not do so during 2012. The Committee reports to the Board on its actions and recommendations at each regularly scheduled Board meeting. The Chair of the Committee works with our CEO and our Secretary to schedule the Committee s meetings and set the agenda for each meeting. Our CEO, Senior Vice President-Human Resources, Senior Vice President-General Counsel, Vice President-Compensation and Secretary generally attend the Committee meetings and support the Committee in preparing meeting materials and taking meeting minutes. In particular, our CEO provides background regarding the interrelationship between our business objectives and executive compensation matters; participates in the Committee s discussions regarding the performance and compensation of the other executive officers and provides recommendations to the Committee regarding all significant elements of compensation paid to such officers, their annual, personal performance objectives and his evaluation of their performance; and provides feedback regarding the companies that he believes Danaher competes with in the marketplace and for executive talent. The Committee gives considerable weight to our CEO s evaluation of and recommendations with respect to the other executive officers because of his direct knowledge of each such officer s performance and contributions. Danaher s human resources department also provides the Committee with such data relating to executive compensation as requested by the Committee. The Committee typically meets in executive session, without the presence of management, at each regularly scheduled meeting.

Under the terms of its charter, the Committee has the authority to engage the services of outside advisors and experts to assist the Committee. The Committee has engaged Frederic W. Cook & Co., Inc. (F.W. Cook) as the Committee s independent compensation consultant for a number of years. The Committee engages F.W. Cook because it is considered one of the premier independent compensation consulting firms in the country and has never provided any services to the Company other than the compensation-related services provided to or at the direction of the Compensation Committee and the Nominating and Governance Committee. F.W. Cook takes its direction solely from the Committee (and with respect to matters relating to the non-management director compensation program, the Nominating and Governance Committee). F.W. Cook s primary responsibilities in 2012 were to review the Company s executive compensation program, compare compensation levels for the Company s named executive officers to executive compensation levels at the Company s peers to assess whether the Company s pay levels are competitive, and analyze the Company s executive compensation program in the context of emerging corporate governance best practices; provide advice to the Committee on updating the peer group used to assess competitive compensation practices; provide advice to the Committee in connection with modifications to certain elements of the Company s executive compensation program; and update the Committee regarding legislative and regulatory initiatives and other trends in the area of executive compensation. The Committee does not place any material limitations on the scope of the feedback provided by F.W. Cook. In the course of discharging its responsibilities, F.W. Cook may from time to time and with the Committee s consent, request from management certain information regarding compensation amounts and practices, the interrelationship between our business objectives and executive compensation matters, the nature of the Company s executive officer responsibilities and other business information.

The Committee has considered whether the work performed by F.W. Cook for or at the direction of the Compensation Committee and the Nominating and Governance Committee raises any conflict of interest, taking into account the factors listed in Securities Exchange Act Rule 10C-1(b)(4), and has concluded that such work does not create any conflict of interest.

Nominating and Governance Committee. The Nominating and Governance Committee met three times in 2012. The Nominating and Governance Committee assists the Board in identifying individuals qualified to become Board members, proposes to the Board a slate of directors for election by Danaher s shareholders at each annual meeting, makes recommendations to the Board regarding the membership of the Board s committees, makes recommendations to the Board regarding matters of corporate governance, facilitates the annual review of the performance of the Board and its committees, oversees the operation of Danaher s Corporate Governance Guidelines, reviews and makes recommendations to the Board regarding non-management director compensation, and administers Danaher s Related Person Transactions Policy. The Board has determined that all of the members of the Nominating and Governance Committee are independent within the meaning of the NYSE listing standards.

The Nominating and Governance Committee from time-to-time engages an executive search firm to help identify, evaluate and provide background information regarding director candidates, and also considers candidates for Board membership suggested by Board members, management and shareholders. A shareholder who wishes to recommend a prospective nominee for the Board should notify the Nominating and Governance Committee in writing using the procedures described below under Communications with the Board of Directors with whatever supporting material the shareholder considers appropriate.

If a prospective nominee has been identified other than in connection with a director search process initiated by the Committee, the Committee makes an initial determination as to whether to conduct a full evaluation of the candidate. The Committee s determination of whether to conduct a full evaluation is based primarily on the Committee s view as to whether a new or additional Board member is necessary or appropriate at such time, and the likelihood that the prospective nominee can satisfy the evaluation factors described below and any such other factors as the Committee may deem appropriate. The Committee takes into account whatever information is provided to the Committee with the recommendation of the prospective candidate and any additional inquiries the Committee may in its discretion conduct or have conducted with respect to such prospective nominee. If the

Committee determines that any such prospective nominee warrants additional consideration, or if the Committee has initiated a director search process and has identified one or more prospective nominees, the Committee will evaluate such prospective nominees against the standards and qualifications set out in Danaher s Corporate Governance Guidelines, including:

- personal and professional integrity and character;
- prominence and reputation in the prospective nominee s profession;
- skills, knowledge and expertise (including business or other relevant experience) useful and appropriate in overseeing and providing strategic direction with respect to Danaher s business;
- the extent to which the interplay of the prospective nominee s skills, knowledge, experience and background with that of the other Board members will help build a Board that is effective in collectively meeting Danaher s strategic needs and serving the long-term interests of the shareholders;
- the capacity and desire to represent the interests of the shareholders as a whole; and
- availability to devote sufficient time to the affairs of Danaher.

The Committee also considers such other factors as it may deem relevant and appropriate, including the current composition of the Board, any perceived need for one or more particular areas of expertise, the balance of management and independent directors, the need for Audit Committee and/or Compensation Committee expertise and the evaluations of other prospective nominees. The Board does not have a formal or informal policy with respect to diversity but believes that the Board, taken as a whole, should embody a diverse set of skills, knowledge, experiences and backgrounds appropriate in light of the Company s needs, and in this regard also subjectively takes into consideration the diversity (with respect to race, gender and national origin) of the Board when considering director nominees. The Board does not make any particular weighting of diversity or any other characteristic in evaluating nominees and directors.

If the Committee determines that a prospective nominee warrants further consideration, one or more members of the Committee (and other members of the Board as appropriate) will interview the prospective nominee. After completing this evaluation and interview process, if the Committee deems it appropriate it will recommend that the Board appoint one or more prospective nominees to the Board or nominate one or more such candidates for election to the Board.

The Committee also reviews and makes recommendations to the Board regarding non-management director compensation (although the Board makes the final determination regarding the amounts and type of non-management director compensation). In connection with its periodic evaluations of non-management director compensation, the Committee reviews the compensation practices for non-management directors within Danaher s peer group. For a description of the annual compensation paid to each non-management director, please see Director Compensation.

Finance Committee. The Finance Committee met twice in 2012. The Finance Committee approves business acquisitions, divestitures and investments up to the levels of authority delegated to it by the Board.

Majority Voting for Directors

Our Amended and Restated Bylaws provide for majority voting in uncontested director elections, and our Board has adopted a director resignation policy. Under the policy, the Board will not nominate a director for election, or appoint a director to fill a vacancy or new directorship, unless the individual has tendered in advance an irrevocable resignation effective if the individual does not receive a majority of the votes cast in an uncontested election and such resignation is accepted by the Board. If an incumbent director is not elected by a majority of the votes cast in an uncontested election, our Nominating and Governance Committee will submit for prompt consideration by the Board a recommendation whether to accept or reject the director s resignation. The Board expects the director whose resignation is under consideration to abstain from participating in any decision regarding that resignation.

However, at any meeting of shareholders for which the Secretary of the Company receives a notice that a shareholder has nominated a person for election to the Board of Directors in compliance with the Company s Amended and Restated Bylaws and such nomination has not been withdrawn on or before the tenth day before the Company first mails its notice of meeting to the Company s shareholders, the directors will be elected by a plurality of the votes cast (which means that the nominees who receive the most affirmative votes would be elected to serve as directors).

Website Disclosure

We may provide disclosure in the Investor Corporate Governance section of our corporate website, http://www.danaher.com, of any of the following: (1) the identity of the presiding director at meetings of non-management or independent directors, or the method of selecting the presiding director if such director changes from meeting to meeting; (2) the method for interested parties to communicate directly with the Board or with individual directors, the Lead Independent Director or the non-management or independent directors as a group; (3) the identity of any member of Danaher s Audit Committee who also serves on the audit committees of more than three public companies and a determination by the Board that such simultaneous service will not impair the ability of such member to effectively serve on Danaher s Audit Committee; and (4) contributions by Danaher to a tax exempt organization in which any non-management or independent director serves as an executive officer if, within the preceding three years, contributions in any single fiscal year exceeded the greater of $1 million or 2% of such tax exempt organization s consolidated gross revenues. We also intend to disclose any amendment to the Standards of Conduct that relates to any element of the code of ethics definition enumerated in Item 406(b) of Regulation S-K, and any waiver from a provision of the Standards of Conduct granted to any of our directors, principal executive officer, principal financial officer, principal accounting officer, or any other executive officer, in the Investor Corporate Governance section of our corporate website, http://www.danaher.com, within four business days following the date of such amendment or waiver.

Communications with the Board of Directors

Shareholders and other parties interested in communicating directly with the Board or with individual directors, the Lead Independent Director or the non-management or independent directors as a group may do so by addressing communications to the Board of Directors, to the specified individual director or to the non-management or independent directors, as applicable, c/o Corporate Secretary, Danaher Corporation, 2200 Pennsylvania Avenue, N.W., Suite 800W, Washington, D.C. 20037-1701.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The following section discusses and analyzes the compensation provided to each of the executive officers set forth in the Summary Compensation Table below, also referred to as the named executive officers.

Executive Summary and Overview

Shareholder Returns and Business Performance

Danaher s compounded, average annual shareholder return has outperformed the compounded, average annual shareholder return of the S&P 500 index over each of the last one, two, three-, five-, ten-, fifteen- and twenty-year periods, with a return of 19.0% over the last year, 9.1% over the last two years, 14.0% over the last three years, 5.0% over the last five years, 13.1% over the last ten years, 14.1% over the last fifteen years and 19.6% over the last twenty years (calculated on a dividend reinvested basis). The chart below shows Danaher s total shareholder return (TSR) compared to the TSR of the S&P 500 index over the last twenty years. Danaher s executive compensation program, particularly its emphasis on long-term equity compensation awards with vesting terms that are longer than typical for our peer group, has been fundamental in attracting skilled executives, encouraging them to build long-term careers with Danaher and motivating them to achieve sustainable, long-term operating and financial performance through a range of economic cycles.

Total Shareholder Return, 1993-2012

In response to an uncertain 2012 economic environment that witnessed inconsistent and slowing growth in most major geographies (including slower growth in many of the high-growth markets that in prior years had significantly offset declines in the developed markets), Danaher s executive leadership continued to aggressively manage costs while allocating resources to capitalize on current and future growth opportunities. Danaher used its strong financial position to continue investing in the Company s future growth, consummating fourteen strategic acquisitions during the year, deploying $123 million in restructuring activities to reduce fixed costs and protect funding for growth investments, investing record amounts in research and development and high-growth market infrastructure, and launching strategically critical new products. In 2012 Danaher also divested two non-strategic businesses and reached an agreement to sell its interest in the Apex Tool Group joint venture, which holds Danaher s legacy hand tool business, representing a key milestone in Danaher s evolution into a science and technology leader (the sale was consummated in February 2013). Even while investing robustly in the Company s future growth, Danaher returned $734 million to shareholders in 2012 through stock repurchases and dividends.

Danaher s 2012 and prior year growth investments yielded tangible results in 2012, as the Company on a year-over-year basis in 2012 grew revenue 13.5% (including 8.6% in high-growth markets), diluted earnings per share 16.6% and operating cash flow 28.2%, and delivered an operating profit margin of 17.3% despite continuing to invest aggressively in our future.[2] Our commitment to continue investing in future growth despite an uncertain economy, and our generation of the cash flow to fund such investments, has positioned us to grow our business on a profitable and sustainable basis.

2012 Executive Compensation

The elements and mix of compensation for our named executive officers did not change significantly from 2011 to 2012, reflecting the long-term orientation and year-to-year consistency in our approach to executive compensation (please see Analysis of 2012 Named Executive Officer Compensation for a description of the compensation elements in our program). Below is a comparison of the key aspects of our named executive officer compensation for 2012 compared to 2011 (excluding the compensation of Ms. Lalor, who was hired in April 2012).

- The target dollar value of the 2012 long-term equity compensation awards for each of the named executive officers did not change on a year-over-year basis.

- Annual cash incentive compensation payments for 2012 decreased 4.7% for Mr. Culp and between 4.8% and 9.1% for the other named executive officers, primarily reflecting the modestly lower year-over-year improvement in the Company s Adjusted EPS growth rate compared to the prior year.

- Our CEO s base salary remained unchanged, and the base salaries for our other named executive officers increased approximately 5% on a year-over-year basis.

Compensation Governance

The Compensation Committee (Committee) of our Board of Directors recognizes that the success of our executive compensation program over the long-term requires a strong framework of compensation governance. As a result, the Committee regularly reviews external executive compensation practices and trends and in recent periods has revised Danaher s executive compensation policies and practices to:

- adopt a policy prohibiting any prospective tax reimbursement or gross-up provisions in our executive compensation program (except under any policy applicable to management employees generally such as a relocation policy). In addition, in 2012 Mr. Culp offered, and the Committee agreed, to eliminate the existing tax reimbursement and gross-up provisions in his employment agreement;

- eliminate club membership, automobile and executive life insurance perquisites and limit the amount of our CEO s and CFO s personal aircraft usage perquisite;

- incorporate multiple performance metrics in our annual cash incentive compensation plan;

- implement a rigorous compensation recoupment policy that is triggered by a material restatement of Danaher s financial statements, even in the absence of wrongdoing; and require executive officers to maintain robust stock ownership levels, and prohibit hedging against the economic risk of such ownership.

[2] All metrics reflect continuing operations only.

These more recent changes complement strong compensation governance practices that have long been a hallmark of Danaher s program:

- our executive officer equity awards have vesting terms that are longer than typical for our peer group;
- our executive officers have no pension program (apart from a small cash balance plan that operated in lieu of a 401(k) plan from 1997- 2003);
- our annual cash incentive compensation is based on performance over one- and three-year periods, to encourage sustainable performance;
- none of our long-term incentive compensation is paid in cash;
- none of our named executive officers has any rights to automatic acceleration of equity award vesting or cash compensation triggered solely by a change of control; and
- the Committee s independent compensation consultant has never provided any services to the Company other than the compensation-related services provided to the Committee and the Nominating and Governance Committee.

Overview and Objectives of our Named Executive Officer Compensation Program

The goal of our compensation program for named executive officers is to build long-term value for our shareholders. Toward this goal, under the Committee s direction we have developed an executive compensation program designed to:

- attract and retain executives with the leadership skills, attributes and experience necessary to succeed in an enterprise with Danaher s size, diversity and global footprint;
- motivate executives to demonstrate exceptional personal performance and perform consistently over the long-term at or above the levels that we expect; and
- link compensation to the achievement of near-term and long-term corporate goals that we believe best correlate with the creation of long-term shareholder value.

To achieve these objectives we have developed a compensation program that combines annual and long-term components, cash and equity, and fixed and variable payments, with a strong bias toward compensation that is dependent on company performance, particularly long-term, equity-based compensation. Our executive compensation program rewards our executive officers when they build long-term shareholder value, achieve annual business goals and maintain long-term careers with Danaher.

Determining Named Executive Officer Compensation

Danaher s compensation program is grounded on the principle that each executive officer must consistently demonstrate exceptional personal performance in order to remain an executive officer of Danaher. Within the overall framework of this principle and the other objectives discussed above, the Committee exercises its judgment in making executive compensation decisions. The factors that generally shape particular executive compensation decisions (none of which are assigned any particular weight by the Committee) are the following:

The relative complexity and importance of the executive s position within Danaher. The Committee believes that both the amount and at-risk nature of compensation should increase with the relative complexity and importance of an executive s position, holding the most senior executives most accountable for long-term operating results and changes in shareholder value.

The executive s record of performance, long-term leadership potential and tenure.

Danaher s operational and financial performance. Our cash incentive compensation payments vary annually to reflect near-term changes in operating and financial results. In addition, our long-term compensation is more sensitive to changes in long-term company performance than many comparable

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programs because we apply vesting terms that are longer than typical for our peer group and avoid using cash-based long-term incentives.

Our assessment of pay levels and practices in the competitive marketplace. The Committee considers market practice in determining pay levels and compensation design, to ensure that our costs are sustainable relative to peers and compensation is appropriately positioned to attract and retain talented executives. We have a history of successfully applying the Danaher Business System, or DBS (a proprietary set of business processes and methodologies we use that are designed to continuously improve business performance), to deliver strong operating performance and create shareholder value, and we devote significant resources to training our executives in DBS. In addition, given our expectations regarding future growth, our Board and Committee have engaged a corps of named executive officers whom we believe are capable of leading a significantly larger company. As a result of these factors, we believe that our officers are particularly valued by other companies with greater resources, which creates a high degree of retention risk.

The philosophy and goals of our compensation program have remained consistent over time, although the Committee considers the factors above within the context of the then-prevailing economic environment and may adjust the terms and/or amounts of compensation accordingly so that they continue to support our objectives.

The Company provides its shareholders an opportunity to cast an annual advisory vote with respect to its named executive officer compensation as disclosed in the Company s annual proxy statement (the say on pay proposal). At the Company s annual meeting of shareholders in May 2012, 94.8% of the votes cast on the say on pay proposal were voted in favor of the proposal. The Committee believes this result affirms shareholders support of the Company s named executive officer compensation and did not make changes to the Company s executive compensation program as a result of such vote.

For a description of the role of the Company s executive officers and the Committee s independent compensation consultant in the executive compensation process, please see Corporate Governance Board of Directors and Committees of the Board Compensation Committee.

Risk Considerations and Review of Executive Compensation Practices

Risk-taking is a necessary part of growing a business, and prudent risk management is necessary to deliver long-term, sustainable shareholder value. The Committee believes that the Company s executive compensation program supports the objectives described above without encouraging inappropriate or excessive risk-taking. In reaching this conclusion, the Committee considered in particular the following attributes and risk-mitigation features of our compensation program:

our program s emphasis on long-term, equity-based compensation, which discourages risk-taking that produces short-term results at the expense of building long-term shareholder value;

vesting terms that are longer than typical for our peer group, which (together with our recoupment policy) help ensure that our executives realize their compensation over a time horizon that is consistent with achieving long-term shareholder value;

the balance between options and RSUs within our equity compensation program, which yields an overall degree of leverage that the Committee believes is appropriate;

the use of multiple performance metrics and both one- and three-year historical performance periods in our annual cash incentive compensation plan, which mitigate the incentive to overperform in any single year or with respect to any single financial metric at the expense of other years or financial metrics;

the Committee s ability to use negative discretion to reduce annual cash incentive compensation payments and the number of shares paid upon vesting of RSUs;

caps on payment amounts under our annual cash incentive compensation plan;

our executive stock ownership guidelines;

our policy prohibiting our employees from engaging in transactions in any derivative of a Danaher security;

the highly diversified nature of Danaher s portfolio of businesses with respect to markets served, products and services sold and geographic footprint; and

the Committee s (and Nominating & Governance Committee s) use of an independent compensation consultant that performs no other services for Danaher.

Analysis of 2012 Named Executive Officer Compensation

Our 2012 executive compensation program consisted of four elements, listed in order of significance. The 2012 compensation of Ms. Lalor, who was hired as Danaher s Senior Vice President-Human Resources in April 2012, is addressed in a separate section below.

Element	Form of Compensation	Primary Objectives
Long-Term Incentive Compensation	Stock options with time-based vesting periods longer than typical for our peer group	